While banks have been given freedom by Reserve Bank of India to fix their own interest rates on domestic term deposits of various maturities, interest rates on Small Savings Schemes are administered interest rates, and are benchmarked to the average annual yield on Government Securities of comparable maturity in the secondary market, with a suitable spread subject to a maximum of 50 basis point over the benchmark yield, depending upon the maturity and liquidity of the instruments. Therefore, interest rates of small savings schemes are not comparable with the interest rates being offered by the Banks for their various term deposit schemes.

Price of Petrol and Diesel

†*211. SHRI RAJ MOHINDER SINGH MAJITHA :
SHRI SHIVANAND TIWARI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the attention of Government has been drawn towards some media reports wherein likely prices of petrol and diesel in India have been shown, post reduction in the price of crude in international market;

(b) if so, these prices of petrol and diesel separately; and

(c) the extent to which these prices are less than the prices being charged from consumers of petrol and diesel in the country currently?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA) : (a) to (c) As India imports over 75% of its crude oil requirement the international oil prices have a decisive role in the domestic pricing. The Indian Basket of crude oil, which averaged $ 79.25 per barrel during 2007-08, had gone up to $142.04 per barrel on 3rd July, 2008. International prices have come down since August, 2008 and the average price of Indian Basket of crude oil during November, 2008 was $ 50.91 per barrel and the average price during 2008-09 (up to 10th December '08) was $ 100.34 per barrel. The benefit of softening of international oil prices has been partly offset by the recent depreciation of the rupee by around 25%.

As an interim measure, the Government has reduced the prices of Petrol and Diesel by Rs.5/- per litre and Rs.2/- per litre respectively at Delhi with corresponding reduction in the rest of the country, effective 6th December'2008. The revised retail prices (at Delhi) of Petrol and Diesel are Rs.45.62 per litre and Rs.32.86 per litre respectively. However, based on the Refinery Gate Price (RGP) computed by the Indian Oil Corporation, for the first fortnight of December'08, the likely retail selling prices at Delhi works out at Rs.35.73 per litre for Petrol and Rs.31.83 per litre for Diesel.

Further reduction in the prices of Petrol and Diesel has not been found feasible at this stage in view of the continuing under-recoveries on the sale of PDS Kerosene and Domestic LPG. The Public Sector Oil Marketing Companies (OMCs), namely, Indian Oil Corporation (IOC), Bharat Petroleum Corporation (BPC) and Hindustan Petroleum Corporation (HPC) have declared combined losses of Rs. 14,431 crore during the first six months of 2008-09 and their total under-recoveries on the sale of sensitive petroleum products are projected to be Rs. 1,10,381 crore during 2008-09. Their combined borrowings at the end of November 2008 stood at Rs. 1,15,000 crore with an interest burden of Rs. 8,100 crore during 2008-09. The financial health of the OMCs needs to be protected for ensuring the energy security of the country.

Overseas loans for domestic infrastructure companies

*212. SHRI SATYAVRAT CHATURVEDI: Will the PRIME MINISTER be pleased to state:

†Original notice of the question was received in Hindi